

Illinois Gas Company
Darin L. Houchin, P.E., General Manager
618-395-8588
COPY OF PROPOSED TARIFF SHEETS

ICC DOCKET 04-
SECTION 285-5010
SCHEDULE E-1
Page 1 of 22

ILL. C. C. No. 13
3rd Revised Title Sheet
Canceling 2nd Revised Title Sheet No. 13

ILLINOIS GAS COMPANY

SCHEDULE OF RATES

FOR

GAS SERVICE

Applying to the following Territory:

Olney, Noble, Claremont, Calhoun, Dundas, Parkersburg,
Lawrenceville, Bridgeport, Sumner, Pinkstaff,
Birds, Russellville, Sainte Marie, West Liberty, Willow Hill
Name of Cities

Richland, Lawrence,
Jasper Illinois
Counties

Issued _____ **Effective** _____
Issued By **Darin L. Houchin, P.E., General Manager**

Illinois Gas Company

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**ILLINOIS GAS COMPANY
OLNEY, ILLINOIS**

ICC DOCKET

**04-
SECTION 285-5010
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Page 2 of 22**

**ILL. C. C. No. 13
14th Revised Sheet No.1
canceling 13th Revised Sheet**

No.1

**Applies to all properties of the Company
Gas Service
Rate 1. Residential**

AVAILABILITY

This rate is available only to customers who use gas for residential purposes. Service will be provided under this rate to a combined residence/business located in a single building only when the residential use is clearly predominate.

RATES PER METER PER MONTH

Facilities Charge: \$11.55

Distribution Charge:\$0.1546 per therm delivered

Gas Charge: The amount per therm delivered, calculated by including the Winter, Summer, and Commodity components as detailed in ILL. C. C. No. 13, Rider GC.

Service hereunder is subject to the General Terms and Conditions set forth in ILL C. C. No. 14.

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P.E., General Manager

Issued by: Darin L. Houchin

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ILLINOIS GAS COMPANY
OLNEY, ILLINOIS

ILL. C. C. No. 13

13TH Revised Sheet
No.2
canceling 12th Revised Sheet

No.2

Applies to all properties of the Company

Gas Service

Rate 2. Small General Use

AVAILABILITY

This rate is available to customers who use gas for commercial or industrial purposes, provided that the total connected load does not exceed 700 cubic feet per hour.

RATES PER METER PER MONTH

Facilities Charge: **\$14.00**

Distribution Charge: **\$ 0.1423** per therm delivered

Gas Charge: The amount per therm delivered, calculated by including the Winter, Summer and Commodity components as detailed in ILL. C. C. No. 13, Rider GC.

Service hereunder is subject to the General Terms and Conditions set forth in ILL C. C. No. 14.

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ILLINOIS GAS COMPANY
OLNEY, ILLINOIS

ILL. C. C. No. 13
7th Revised Sheet No. 3
canceling 6th Revised Sheet No. 3

Applies to all properties of the Company

Gas Service

Rate 3. Medium General Use

AVAILABILITY

This rate is available to customers who use gas for commercial or industrial purposes, provided that the total connected load is more than 700 cubic feet per hour but less than 5000 cubic feet per hour.

RATES PER METER PER MONTH

Facilities Charge: **\$40.00**

Distribution Charge: **\$0.1322** per therm delivered

Gas Charge: The amount per therm delivered, calculated by including the Winter, Summer and Commodity components as detailed in ILL. C. C. No. 13, Rider GC.

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ILLINOIS GAS COMPANY
OLNEY, ILLINOIS

ILL. C. C. NO. 13

2nd Revised Sheet No. 3.1
Canceling 1st Revised Sheet No. 3.1

Applies to all properties of the Company

Gas Service

Rate 4. Large General Use

AVAILABILITY

This rate is available to customers who use gas for commercial or industrial purposes, provided the total connected load is greater than 5000 cubic feet per hour.

RATES PER METER PER MONTH

Facilities Charge: \$90.00

Distribution Charge: \$ 0.1264 per therm delivered

Gas Charge: The amount per therm delivered, calculated by including the Winter, Summer and Commodity components as detailed in ILL. C.C. No. 13, Rider GC.

Service hereunder is subject to the General Terms and Conditions set forth in ILL C.C. No. 14.

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ILLINOIS GAS COMPANY
OLNEY, ILLINOIS

ILL. C. C. NO. 13

2nd Revised Sheet No. 3.2
Canceling 1st Revised Sheet No. 3.2

Applies to all properties of the Company

GAS SERVICE

Rate 5. Seasonal

AVAILABILITY

This rate is available to customers who wish to be provided with natural gas service for only portions of the calendar year.

RATES PER METER PER MONTH

Facility Charge: \$65.00

Distribution Charge: \$ 0.1405 per therm delivered

Gas Charge: The amount per therm delivered, calculated by including the Winter, Summer and Commodity components as detailed in ILL. C. C. No. 13, Rider GC. A Seasonal customer shall receive credit for the Winter component, as detailed in ILL. C.C. No. 13, Rider GC.

In the event that Illinois Gas determines that a peak day situation may occur, Illinois Gas will contact the Customer and offer a choice of interruption of gas service or to remain on service and pay the estimated additional cost of transportation which will be assigned to that customer based on the amount of gas that customer uses which contributes to any overrun charges incurred on the pipeline. In the event that the pipeline issues an Operational Flow Order then Illinois Gas will notify the customer of the need to interrupt gas service.

In the event the Interruptible Customers usage is less than the amount over the contracted amount, those costs would be charged to Rider GC.

INTERRUPTIBLE SERVICE

Gas deliveries during the Summer Season, April through October, are to be considered Firm, except for force majeure. Gas deliveries to Customers in any area under this rate may be curtailed or discontinued at the sole discretion of the Company. The Company will endeavor to give Customers advance notice whenever a diminution is necessary, and the Customer shall curtail customer use at the time and to the extent requested by the Company. The curtailments may be varied between Customers from time to time, but curtailments to Customers served under this rate, located in the same distribution area, shall be equally proportioned to the extent practicable over an appropriate period. The Company shall not be liable for any loss of production or any damages whatsoever by reason of such curtailment, or because of lack of advance notice.

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ILLINOIS GAS COMPANY
OLNEY, ILLINOIS

ILL. C.C. No. 13

2nd Revised Sheet No. 3.3
Canceling 1st Revised Sheet No. 3.3

Applies to all properties of the Company
GAS SERVICE

RATE 5. SEASONAL
(continued from Sheet 3.2)

In the event Customer fails to curtail usage when and as requested, the Company may immediately discontinue all gas service. All therms taken in violation of a curtailment request shall be charged the Distribution Charge and Gas Charge applicable to Rate 1 Customers, plus \$1.00 per therm. In addition, Customer shall pay the full cost of any penalty or other charges assessed by Texas Gas Transmission or any other supplier which are incurred for any day during which Customer, at any time, failed to curtail usage as requested by the Company.

Service hereunder is subject to the General Terms and Conditions set forth in Ill. C.C. No. 14.

STANDBY EQUIPMENT

The Customer shall have adequate standby facilities and sufficient standby fuel so that gas supplied hereunder may be curtailed or entirely discontinued at any time in the amount specified by the Company, or the Customer shall, at the time of contracting for service hereunder, make written representations and furnish written assurance satisfactory to the Company that the Customer is prepared to curtail or cease operations upon any partial curtailment or total discontinuance of the supply of gas that may be specified by the Company. Customer will not assert any claims whatsoever against the Company on account of any such partial curtailment or total discontinuance.

GAS PRESSURE

Gas will be delivered hereunder at a pressure to be agreed upon by the Company and the Customer. The Company will endeavor to maintain a uniform pressure, but shall not be liable for damages of any nature resulting from any failure to do so, regardless of the cause of the pressure variance.

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ILLINOIS GAS COMPANY
OLNEY, ILLINOIS

ILL. C. C. NO. 13

15th Revised Sheet No. 4
Canceling 14th Revised Sheet No. 4

Applies to all properties of the Company

GAS SERVICE

RATE 6 Interruptible Service

AVAILABILITY

This rate is available to any industrial or commercial Customer using the Company's natural gas service, provided the Customer's premises are located adjacent to certain mains which are designated by the Company as suitable for service hereunder, or whom the Company deems too large to be classified as a firm Customer.

RATES PER METER PER MONTH

Facility Charge: **\$157.00**

Distribution Charge: **\$0.0713** per therm delivered

Gas Charge: The amount per therm delivered, calculated by including the Winter, Summer and Commodity components as detailed in ILL. C. C. No. 13, Rider GC. An interruptible Customer shall receive credit for the Winter component, as detailed in ILL. C.C. No. 13, Rider GC.

In the event that Illinois Gas determines that a peak day situation may occur, Illinois Gas will contact the Customer and offer a choice of interruption of gas service or to remain on service and pay the estimated additional cost of transportation which will be assigned to that customer based on the amount of gas that customer uses which contributes to any overrun charges incurred on the pipeline. In the event that the pipeline issues an Operational Flow Order then Illinois Gas will notify the customer of the need to interrupt gas service.

In the event the Interruptible Customers usage is less than the amount over the contracted amount, those costs would be charged to Rider GC.

INTERRUPTIBLE SERVICE

Gas deliveries during the Summer Season, April through October, are to be considered Firm, except for force majeure. Gas deliveries to Customers in any area under this rate may be curtailed or discontinued at the sole discretion of the Company. The Company will endeavor to give Customers advance notice whenever a diminution is necessary, and the Customer shall curtail Customer use at the time and to the extent requested by the Company. The curtailments may be varied between Customers from time to time, but curtailments to Customers served under this rate, located in the same distribution area, shall be equally proportioned to the extent practicable over an appropriate period. The Company shall not be liable for any loss of production or any damages whatsoever by reason of such curtailment, or because of lack of advance notice.

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ILLINOIS GAS COMPANY
OLNEY, ILLINOIS

ILL. C.C. No. 13
6th Revised Sheet No. 5
canceling 5th Revised Sheet
No.5

Applies to all properties of the Company

GAS SERVICE

RATE 6 INTERRUPTIBLE SERVICE

(continued from Sheet 4)

In the event customer fails to curtail usage when and as requested, the Company may immediately discontinue all gas service. All therms taken in violation of a curtailment request shall be charged the Distribution Charge and Gas Charge applicable to Rate 1 Customers plus \$1.00 per therm. In addition, Customer shall pay the full cost of any penalty or other charges assessed by Texas Gas Transmission or any other supplier which are incurred for any day during which customer, at any time, failed to curtail usage as requested by the Company.

Service hereunder is subject to the General Terms and Conditions set forth in Ill. C.C. No. 14.

STANDBY EQUIPMENT

The Customer shall have adequate standby facilities and sufficient standby fuel so that gas delivered hereunder may be curtailed or entirely discontinued at any time in the amount specified by the Company, or the Customer shall, at the time of contracting for service hereunder, make written representations and furnish written assurance satisfactory to the Company that the Customer is prepared to curtail or cease operations upon any partial curtailment or total discontinuance of the supply of gas that may be specified by the Company. Customer will not assert any claims whatsoever against the Company on account of any such partial curtailment or total discontinuance.

GAS PRESSURE

Gas will be delivered hereunder at a pressure to be agreed upon by the Company and the Customer. The Company will endeavor to maintain a uniform pressure, but shall not be liable for damages of any nature resulting from any failure to do so, regardless of the cause of the pressure variance.

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ILLINOIS GAS COMPANY
OLNEY, ILLINOIS

ILL. C.C. NO 13
8TH Revised Sheet No. 6
canceling 7TH Revised Sheet No. 6

Applies to all properties of the Company

GAS SERVICE

RIDER A - Firm Transportation Service

AVAILABILITY

This Rider is available to any non-residential Customer who, enters into a written contract for such service with the Company, prior to October 15 of each year, for a Contract Period extending from November 1, of that year through October 31, of the following year. Said Contract will specify the maximum amount of gas to be transported on a given day and the maximum daily amount of standby gas that Customer may take from the Company on Critical Days. The Customer agrees to provide the Company, upon reasonable request, any information required for the safe and reliable operation of the Company's gas distribution system. The Customer also agrees to acquire natural gas and arrange to have such gas delivered by Texas Gas Transmission to a delivery point on the Company's system for transportation to the Customer's premises. Such Customer-owned Gas shall be considered the first gas metered during the billing period.

APPLICABILITY

This rider shall be applicable to gas purchased by Customer from a third party when such gas is delivered to Company for transport to Customer's premises for ultimate consumption by Customer.

RATES

In lieu of all charges specified in Customer's rate classification, Customer shall pay the Delivery Service Rates, Standby Gas Charges, and Unauthorized Use Charges specified in this Rider. Customer shall also be subject to the provisions in this Rider for Monthly Cash out, which may entail either additional payments by the Customer or credits to Customer's account.

DELIVERY SERVICE RATES

Facilities Charge: \$157.00 per month

Distribution Charge: All quantities of metered usage shall be billed at the per therm charge specified in Customers rate classification.

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ILLINOIS GAS COMPANY
OLNEY, ILLINOIS

ILL. C. C. NO. 13
7th Revised Sheet No. 6.1
canceling 6th Revised Sheet No. 6.1

Applies to all properties of the Company

GAS SERVICE

RIDER A - Firm Transportation Service (continued from Sheet 6)

STANDBY GAS CHARGES All quantities of Standby Gas taken by the Customer under this Rider shall be billed at the Commodity components of the Gas Charge, as detailed by ILL. C. C. No. 13, Rider GC. In addition, regardless of the actual quantity of Standby Gas taken during the billing month, the Customer shall be charged the average Reservation Demand Charge, charged to the Company by Texas Gas Transmission, for the daily volume of standby gas specified in the contract times number of days is the billing cycle.

ORDER OF DELIVERY ON CRITICAL DAYS

On any Critical Day, the order of deliveries to Customer's meter shall be as follows: (1) Customer-owned Gas shall be considered the first gas delivered to the Customer; (2) When metered usage exceeds the quantity of Customer-owned Gas (less losses); Standby Gas shall be considered to be the next gas delivered to the Customer, up to the maximum daily amount of standby gas specified in the Contract; (3) All remaining metered usage shall be considered Penalty Gas use.

CRITICAL DAY PENALTY GAS CHARGE

All quantities of Penalty Gas taken by the Customer under this Rider shall be billed at the Gas Charge applicable to Rate 1 Customers, plus a penalty of \$10.00 per therm.

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ILLINOIS GAS COMPANY
OLNEY, ILLINOIS

ILL C.C. No. 13 GAS SERVICE
1st Revised Sheet No. 6.2
Canceling Original Sheet No. 6.2

Applies to all properties of the Company

RIDER A - Firm Transportation Service
(continued from Sheet 6.1)

MONTHLY CASH OUT

Metered usage, Customer-Owned Gas (less losses) plus Standby Gas and critical day Penalty Gas shall be accumulated at the end of the billing period. The imbalance between metered usage and the sum of Customer-owned Gas (less losses) plus Standby Gas and critical day Penalty Gas, shall be subject to the following monthly imbalance provisions. When metered usage exceeds the sum of Customer-owned Gas (less losses) Plus Standby Gas, and Penalty Gas, the Customer shall be billed at the Gas Charge applicable their rate classification. When the sum of Customer-owned gas (less losses) plus Standby Gas and Penalty Gas exceeds metered usage, the Company shall credit the Customer at the Texas Gas Transmission posted cash-out price for the appropriate month.

In Addition, if metered usage exceeds the sum of (1)Customer-owned Gas (less losses), (2) the daily Standby Gas contracted times the days in the billing cycle, and (3) critical day Penalty Gas, by 10% or more, or 1,000 therms (which-ever is greater); the amount in excess of 10% or 1,000 therms shall be charged an additional \$.20 per therm.

TERMS AND CONDITIONS

Service hereunder is subject to the "General Terms and Conditions" included in Ill. C. C. No, 14, as well as the following Terms and Conditions.

The Company will install a remote monitoring device at each meter location for customer's choosing Service under this Rider A. For each device required, the Customer shall provide access to a suitable location agreed to by Company and Customer, a commercial telephone line or cellular telephone account and 120 volt AC electric power to facilitate interrogation for purposes of billing and system monitoring.

Any Customer receiving FIRM TRANSPORTATION SERVICE will receive delivery of Customer-Owned Gas on the same basis and level of firmness as gas delivered by Company to firm sales customers. At such time as Customer Owned Gas supply has been scheduled, but not delivered, Customer will be notified by Company.

A Critical day shall be a day which may be declared by the Company whenever any of the following conditions occurs or is anticipated to occur: (1) when the Company experiences failure of transmission, distribution, gas storage facilities; (2) when transmission system pressures or other unusual conditions jeopardize the operation of the Company's system; (3) when the Company's transmission, distribution, storage and supply resources are being used at or near their maximum rated deliver ability; (4) when any of the Company's transporters or suppliers call the equivalent of a Critical Day; or (5) when the Company

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ILLINOIS GAS COMPANY
OLNEY, ILLINOIS

ILL C.C. No. 13
1st Revised Sheet No. 6.3
Canceling Original Sheet No. 6.3

Applies to all properties of the Company

RIDER A - Firm Transportation Service
(continued from Sheet 6.2)

is unable to fulfill its firm contractual obligations or otherwise when necessary to maintain the overall operational integrity of all or a portion of the Company's system.

At any time the Company anticipates the occurrence of a Critical Day, Company will notify FIRM TRANSPORTATION Customers by telephone or FAX as much in advance as possible of the declaration of a Critical Day.

Any revenue received from the assessment of penalties shall first be used to pay any overrun, excess gas, or other penalties assessed by Texas Gas Transmission, secondly any remaining revenue shall be credited to the monthly Gas Charge.

Gas purchase from a third party for transportation under this Rider shall be commercially clean and dry. Such gas shall be of quality and BTU content which is comparable gas purchased by the Company.

The loss factor applicable to customer-owned gas shall be the same as that reported in the Company's, most recent Annual Report, Form 21 ILCC, Summary of Gas Account.

The same standard billing term which is used for billing will also be used for determining credit to customers.

The Customer will also be billed for any transportation or other charges from Texas Gas Transmission incurred as agent for the Customer in the Customer's behalf.

Customer shall notify the Company in writing, at least 12 business days prior to the beginning of each month of the average quantity of Gas it anticipates it will require at the Company's City Gate during each day of the following month. Customer will use its best efforts to ensure that any quantities so transported will closely approximate the quantities delivered to Customer. Customer further agrees to hold the Company harmless from any imbalance, cash-out, or other penalties imposed by Texas Gas to the extent same are a result of the actions or inactions of Customer. Customer shall execute a written contract with the Company for, the transportation of Customer's gas. The Company, with the written consent of the Customer, may execute an agreement with Texas Gas Transmission, as agent of the Customer, for transportation of gas for the Customer.

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ILLINOIS GAS COMPANY
OLNEY, ILLINOIS

ILL C. C. No. 13
3rd Revised Sheet No.8
canceling 2nd Revised Sheet No.8

Applies to all properties of the Company

Rider GC

PURCHASED GAS ADJUSTMENT CLAUSE

Section (A) Applicability

a) The Gas Charge(s) shall be applied to all therms associated with the service classifications identified in the filed rate schedules of the Company. Illinois Gas Company shall apply the Gas Charge(s) to each therm delivered during the effective month, to all Service Classifications.

b) Illinois Gas Company shall calculate 3 component's to it's Gas Charge'(s):

(Winter Demand), entitlement for the month's of November through March, as determined by contract with the Company's Pipeline Supplier's. The Winter component shall be applied to Rate 1, Rate 2, Rate 3, Rate 4, Rate 5, Rate 6, Rider A - General Interruptible Transportation Service and Rider B - Large Interruptible Transportation Service.

(Summer Demand), entitlement for the months of May through September, plus the transition months of April and October, as determined by contract with the Company's Pipeline Supplier's. The Summer component shall be applied to Rate 1, Rate 2, Rate 3, Rate 4, Rate 5, Rate 6, Rider A - General Interruptible Transportation Service and Rider B - Large Interruptible Transportation Service.

(Commodity) Gas Charge. The Commodity component shall be applied to Rate 1, Rate 2, Rate 3, Rate 4, Rate 5, Rate 6, Rider A - General Interruptible Transportation Service and Rider B - Large Interruptible Transportation Service.

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ILLINOIS GAS COMPANY
OLNEY, ILLINOIS

ILL. C. C. No. 13
1st Revised Sheet No. 9
Canceling Original Sheet No. 9

Applies to all properties of the Company

Rider GC

- c) The Company shall report monthly, in a format designated by the Illinois Commerce Commission ("Commission"), the Gas Charge(s), calculated under the provisions of Section (F) to be applied to service rendered during the effective month. The reports required by this Section must be postmarked by the twentieth day of the filing month. A monthly report postmarked after that date but prior to the first day of the effective month will be accepted only if it corrects an error or errors from a timely filed report for the same effective month. Any other report postmarked after that date will be accepted only if submitted as a special permission request under the provisions of Section 9-201 (a) of the Public Utilities Act [220 ILCS 5/9-201 (a)].

Section (B) Definitions

"Base period" shall mean the effective month or the remaining months in the reconciliation year which includes the effective month.

"Effective month" shall mean the month following the filing month, during which the Gas Charge(s) will be in effect.

"Filing month" shall mean the month in which a Gas Charge(s) is determined by the utility and filed with the Commission.

"Gas used by the utility" shall include all gas used by the utility except gas utilized in the manufacture of gas through a reforming process and shall include gas furnished to municipalities or other governmental authorities without reimbursement in compliance with franchise, ordinance or similar requirements.

"Reconciliation year" shall mean the 12-month period ending December 31, for which actual gas costs and associated revenues are to be reconciled.

"System average cost of gas" shall mean the weighted average cost per therm of gas estimated to be purchased, withdrawn from storage, and manufactured during the base period or reconciliation year.

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ILLINOIS GAS COMPANY
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Ill. C. C. No. 13
1st Revised Sheet No. 10
Canceling Original Sheet No.10

Applies to all properties of the Company

Rider GC

Section (C) Cost Basis

The Gas Charge(s) shall represent the utility's estimate of recoverable gas costs (as prescribed in Section (D) to be incurred during the base period, with an adjustment to such costs through use of Adjustment Factors (as prescribed in Sections (E), (F) and (G).

Any Gas Charge(s) established to recover commodity gas costs (separately or in conjunction with non-commodity gas costs) shall use an estimate of the recoverable costs to be incurred during the effective month. Any Gas Charge(s) established to recover only non-commodity gas costs shall use an estimate of the recoverable costs to be incurred during the remaining months of the reconciliation year.

Section (D) Recoverable Gas Costs

a) Costs recoverable through the Gas Charge(s) shall include the following:

- 1) costs of natural gas and any solid, liquid or gaseous hydrocarbons purchased for injection into the gas stream or purchased as feedstock or fuel for the manufacture of gas, or delivered under exchange agreements;
- 2) costs for storage services purchased;
- 3) transportation costs related to such natural gas and any solid, liquid or gaseous hydrocarbons and any storage services; and
- 4) other out-of-pocket direct non-commodity costs, related to hydrocarbon procurement, transportation, supply management, or price management, net of any associated proceeds, and Federal Energy Regulatory Commission-approved charges required by pipeline suppliers to access supplies or services described in subsections (a) (1) through (3) of this section.

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ILLINOIS GAS COMPANY
OLNEY, ILLINOIS

Ill C. C. No. 13
1st Revised Sheet No. 11
Canceling Original Sheet No. 11

Applies to all properties of the Company

Rider GC

- b) Determinations of the Gas Charge(s) shall exclude the estimated cost of gas to be used by the utility, based on the system average cost of gas for the effective month.
- c) The cost of gas estimated to be withdrawn from storage during the base period shall be included in the Gas Charge(s).
- d) Recoverable gas costs shall be offset by the revenues, derived from transactions at rates that are not subject to the Gas Charge(s) if any of the associated costs are recoverable gas costs as prescribed by subsection (a) of this Section. This Subsection shall not apply to transactions subject to rates contained in tariffs on file with Commission, or in contracts entered into pursuant to such tariffs, unless otherwise specifically provided for in the tariff. Taking into account the level of additional recoverable gas costs that must be incurred to engage in a given transaction, the utility shall refrain from entering into any such transaction that would raise the Gas Charge(s).
- e) Revenues from penalty charges or imbalance charges, which the Commission has previously approved to prevent unauthorized actions of customers, shall offset gas costs.
- f) Revenues from "cash-out" schedules, which the Commission has previously approved for transportation customers' monthly imbalances, shall offset gas costs. Under such schedules, the utility can charge customers for gas used in excess of the amount contracted for, or can refund to customers the avoided cost of gas not taken. Refunds by the utility pursuant to any such "cash-out" schedule shall be treated as gas costs recoverable under this Section.

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COPY OF PROPOSED TARIFF SHEETS

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**ILLINOIS GAS COMPANY
OLNEY, ILLINOIS**

**Ill. C. C. No. 13
1st Revised Sheet No. 12
Canceling Original Sheet No. 12**

Applies to all properties of the Company

Rider GC

Section (E) Adjustments to Gas Costs

- a) The Adjustment Factor (Factor A) shall be treated as an addition to or an offset against actual gas costs. This Adjustment Factor shall include the total of the following items:
- 1) refunds, directly billed pipeline surcharges, unamortized balances of adjustments in effect as of the utility's implementation date and other separately designated adjustments;
 - 2) the cumulative difference between actual recoverable gas costs and purchased gas adjustment ("PGA") recoveries for months preceding the filing month; and
 - 3) the unamortized portion of any Adjustment Factor(s) included in prior determinations of the Gas Charge(s).
- b) If the utility determines the need to amortize the Adjustment Factor over a period longer than the base period, this Adjustment Factor shall be amortized over a period not to exceed 12 months. The utility shall, in the monthly filing in which Factor A is first amortized, include an amortization schedule showing the Adjustment Factor amount to be included in the base period. The associated carrying charge established by the Commission under 83 Ill. Adm. Code 280.70(e) (1) and in effect when the Adjustment Factor is first amortized shall be applied to each month's unamortized balance and included within Factor A.

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Issued By: Darin L. Houchin, P.E., General Manager

COPY OF PROPOSED TARIFF SHEETS

Page 19 of 22

ILLINOIS GAS COMPANY
OLNEY, ILLINOIS

ILL C. C. No. 13
1ST Revised Original Sheet No. 13
Canceling Original Sheet No. 13

Applies to all properties of the Company

Rider GC

Section (F) Determination of Gas Charge(s)

- a) Each month the utility shall determine the Gas Charge(s) to be placed into effect for service rendered during the effective month.
- b) The Gas Charge(s) shall be determined in accordance with the following formula:

$$GC = \frac{(G +(-) A +(-) O)}{T} \times 100$$

Where:

GC = The Gas Charge(s) in cents per therm rounded to the nearest 0.01¢; any fraction of 0.01¢ shall be dropped if less than 0.005¢ or, if 0.005¢ or more, shall be rounded up to the next full 0.01¢. A utility may establish separate Gas Charges for each type of gas cost.

G = The sum of the estimated recoverable gas costs associated with the base period, for each gas charge, as prescribed in Section (D). If separate Gas Charges are established, only costs related to the specific Gas Charge shall be included.

A = An amount representing the total adjustments to gas costs, as prescribed in Section (E). If a utility has elected to amortize the total adjustments to gas costs, Factor A shall include the amount applicable to the base period.

O = An amount representing the additional over- or under-recovery for a reconciliation year ordered by the Commission to be refunded or collected, including interest charged at the rate established by the Commission under 83 Ill. Adm. Code 280.70 (e) (1) from the end of the reconciliation year to the order date in the reconciliation proceeding. If the Commission determines it is necessary to amortize the additional over- or under-recovery, additional interest shall be charged in the same manner as that prescribed in Section (E) (b).

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**ILLINOIS GAS COMPANY
OLNEY, ILLINOIS**

**ILL. C. C. No. 13
1ST Revised Original Sheet No. 14
Canceling Original Sheet No. 14**

Applies to all properties of the Company

Rider GC

T = The estimated applicable therms of gas associated with service to be rendered during the base period.

Section (G) Annual Reconciliation

- a) In conjunction with a docketed reconciliation proceeding, the utility shall file with the Commission an annual reconciliation statement, which shall be certified by the utility's independent public accountants and verified by an officer of the utility. This statement shall show the difference between the following:**
 - 1) the costs recoverable through the Gas Charge(s) during the reconciliation year, as adjusted by Factor A and Factor O; and**
 - 2) the revenues arising through the application of the Gas Charge(s) to applicable therms during the reconciliation year.**
- b) If, after hearing, the Commission finds that the utility has not shown all costs to be prudently incurred or has made errors in its reconciliation statement for such reconciliation year, the difference determined by the Commission shall be refunded or recovered, as appropriate, under the Ordered Reconciliation Factor (Factor O), along with any interest or other carrying charge authorized by the Commission.**

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Illinois Gas Company
Darin L. Houchin, P.E., General Manager
618-395-8588
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ICC DOCKET 04-
SECTION 285-5010
SCHEDULE E-1
Page 21 of 22
ILL. C.C. NO. 14
3rd Revised Title Sheet
Canceling 2nd Revised Title Sheet

ILLINOIS GAS COMPANY

GENERAL TERMS AND CONDITIONS

**Applying to: Olney, Noble, Claremont, Calhoun, Dundas,
Parkersburg Lawrenceville, Birds, Pinkstaff,**

**Russellville, Bridgeport, Sumner, Sainte
Marie, West Liberty, Willow Hill
(Cities)**

**Richland, Lawrence &
Jasper Illinois
(Counties)**

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**Issued by Darin L. Houchin, P.E., General Manager
Olney, Illinois**

Illinois Gas Company
 Darin L. Houchin, P.E., General Manager
 (618) 395-8588
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ICC DOCKET 04-
 SECTION 285-5010
 SCHEDULE E-1
 PAGE 22 of 22

ILLINOIS GAS COMPANY
 OLNEY, ILLINOIS

ILL. C.C. No. 14
 3rd Revised Sheet No. 4.5.1
 Canceling 2nd Revised Sheet No. 4.5.1

Front:

ACCOUNT	SERVICE FROM	SERVICE TO	CONSUMPTION (THERMS)
8c	2.	2.	4.

FACILITIES YOUR RATE IS
 DISTRIBUTION CHARGE THERMS AT / THERM
 PGA CHARGE THERMS AT / THERM
 UTILITY TAXES
 NEW CHARGES THIS MONTH

5.

PRESORTED
 RETURN POSTAGE
 GUARANTEED

FIRST CLASS MAIL
 U.S. POSTAGE PAID

Olney, Illinois 62450
 PERMIT #256

8a

THIS MONTH	6.	7.
LAST YEAR	6.	7.
3 DAYS IN SERVICE	THERMS USED PER DAY	DEGREE DAY
1.	1.	
PREVIOUS	CURRENT	
METER READING		

8c	8d
ACCOUNT NUMBER	DUE DATE
8e	
FOR SERVICE AT	
8g	8f
PAYABLE AFTER DUE DATE	PAYABLE BEFORE DUE DATE

RETURN SERVICE REQUESTED

PLEASE RETURN THIS STUB WITH PAYMENT

8b

ILLINOIS GAS CO.

Back:

ILLINOIS GAS COMPANY RATE SCHEDULE

9a*

Rate	Type	Monthly Facilities Charge	Distribution Charge Per Therm
1	Residential	11.55	0.1546
2	Small General Use	14.00	0.1423
3	Medium General Use	40.00	0.1322
4	Large General Use	90.00	0.1264
5	Seasonal	65.00	0.1405

1 THERM = 100 CU. FT.

E = ESTIMATED

9b

PGA Charges = The adjustment amount per therm for the cost of purchased natural gas.
 The rates shown apply to residential customers if bills are paid within 21 days of date of billing and to commercial and industrial customers if bills are paid within 14 days of date of billing. After due dates, 1 1/2% interest per month will be added to unpaid balance.

9c

9d

AFTER HOURS AND WEEKENDS CALL

Olney - 395-8588
 800-633-6250

9f

Raggo Form #3003 Rev 5/03

ILLINOIS GAS COMPANY

1927 Miller Drive - P.O. Box 490
 Olney, Illinois 62450
 (618) 395-8588 -- (800) 633-6250

9e

ISSUED: _____

EFFECTIVE: _____

ISSUED BY: DARIN L. HOUCHIN, P.E., GENERAL MANAGER